

**MINUTES
EAGAR TOWN COUNCIL
REGULAR MEETING
22 W. 2nd St., Eagar, AZ
September 2, 2014 - 7:00 P.M.**

Mayor Bryce Hamblin called the Regular Council Meeting to order and welcomed those present. Mayor Hamblin said to let the record show that all Councilmembers are present. Mayor Hamblin led the Pledge of Allegiance and Winslow McNeill offered the invocation.

COUNCIL PRESENT: Bryce Hamblin, Mayor
James Nelson, Jr., Vice Mayor
Byron Smith
Steve Erhart
Winslow McNeill
Allen Browning
John O. Phelps

STAFF PRESENT: Tami Ryall, Town Manager
Bruce Ray, Community Development/Public Works Director
Eva Wilson, Town Clerk
Katie Brady, Finance Manager
Mike Hogan, Police Chief

ITEM #5: SUMMARY OF CURRENT EVENTS

A. MAYOR

None.

B. COUNCIL

None.

C. STAFF

None.

ITEM #6: OPEN CALL TO THE PUBLIC

None.

ITEM #7: PUBLIC HEARING

A. PUBLIC HEARING FOR THE PURPOSE OF CONSIDERING THE ANNEXATION OF PARCELS 104-25-044 AND 044A (WYE DRIVE) INTO THE TOWN OF EAGAR TOWN LIMITS

Community Development/Public Works Director Bruce Ray stated that Council had recently approved extending waterlines on Wye Drive at the request of Wayne Reidhead and Doug Brown. The Town had recommended that the two parcels requesting extended water lines be annexed. This is the time for input from the public in opposition or in support of an annexation. An ordinance will be placed on a future agenda for Council to consider.

ITEM #8: CONSENT AGENDA

- A. APPROVAL OF MINUTES OF EAGAR TOWN COUNCIL MEETING HELD AUGUST 2014
- B. APPROVAL OF JULY 2014 NATIONAL BANK OF ARIZONA TRANSMITTALS, CHECKS WRITTEN, PAYROLL DIRECT DEPOSIT VOUCHERS, AND CREDIT CARD PURCHASES

Councilor Steve Erhart moved to approve the Consent Agenda as presented. Councilor Winslow McNeill seconded; all were in favor, motion carried unanimously. 7-0

ITEM #9: UNFINISHED BUSINESS

A. DISCUSSION AND CONSIDERATION OF JULY 2014 FINANCIAL REPORT AND SALES TAX REPORT

Finance Manager Katie Brady stated cash for the first month of the fiscal year looks good. Revenues are down \$126,000 in comparison to expenses as bond payments are fulfilled in July showing \$340,000 in this month's expenditures. Approximately \$200,000 of revenue accrued will be moved back to the prior years in adjustments.

Historical Revenue and City Sales Tax for July is up a half of a percent over last year swinging back and forth in comparison to cash history. State Shared Revenue had an incredible month at 21% higher than the month of July last fiscal year. State Shared Revenue was booked at a 4.6% increase over the prior fiscal year. HURF is 8% higher than the prior fiscal year.

ITEM# 10: NEW BUSINESS

A. DISCUSSION AND CONSIDERATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE TOWN OF SPRINGERVILLE TO PROVIDE SERVICES TO SENIOR CITIZENS RESIDING THROUGHOUT ROUND VALLEY

Town Manager Tami Ryall said that this agreement is for the provision of services at the Senior Center in Springerville. This agreement is for one year and has included automatic two years of renewals. Ms Ryall feels very comfortable automatically renewing for a longer period of time as provisions were also included to enable cancellation of the agreement with no cause, with 30 days notice by mail, giving both agencies predictability.

Senior Center Director Sharon Pinckard was present to answer any questions. Councilor McNeill thanked Mrs. Pinckard for the work that she does. For Councilor McNeill's clarification it was verified that the contribution amount in this agreement is for the same dollar amount as previous years.

Vice-Mayor James Nelson, Jr. moved to enter into an Intergovernmental Agreement with the Town of Springerville to provide services to senior citizens residing throughout Round Valley. Councilor Allen Browning seconded; all were in favor, motion carried unanimously. 7-0

B. DISCUSSION AND CONSIDERATION TO ENTER INTO A MUTUAL AID AGREEMENT WITH THE NUTRIOSO FIRE DISTRICT

Fire Chief Frank Adams stated that right now the Town only has a formal agreement with the Town of Springerville in providing fire aid. Other areas that the fire department rarely responds to are Alpine, Nutrioso, Greer and the Town does not have formal agreements with these agencies. Nutrioso Fire District had approached Chief Adams to prepare a Mutual Aid Agreement where their working relationship defined. Chief Adams recommends that the Town enter into this Mutual Aid Agreement with Nutrioso Fire District.

Councilor John Phelps questioned if this agreement was similar to the Eagar and Springerville agreement. Chief Adams said that the agreement with Springerville defines more of an automatic aid allowing a closer relationship than with Nutrioso.

Vice-Mayor James Nelson, Jr. moved to enter into a Mutual Aid Agreement with the Nutrioso Fire District. Councilor Byron Smith seconded; all were in favor, motion carried unanimously. 7-0

Chief Adams introduced Nutrioso Interim Fire Chief Tim Zalesky and Apache County Administrator for Nutrioso Fire District Collin DeWitt.

C. DISCUSSION AND CONSIDERATION TO CONFIRM THE UNDERSTANDING OF THE SERVICES PROVIDED THE TOWN OF EAGAR BY HINTON BURDICK FOR THE YEAR ENDED JUNE 30, 2014 AUDIT

Finance Manager Katie Brady stated that every year the Town receives an engagement letter from the Hinton Burdick outlining the services they will provide. Notification is made to the Mayor and Council that all knowledge is based on the items and information the Town provides them. It is our due diligence to provide them with the documents that they need. The Town Council does have the right to speak and ask questions of the auditors and it is encouraged. Hinton Burdick keeps working audit documents for seven years.

Only two significant revisions from past engagement letters include a \$1,000 increase in the cost of the audit, and under the heading *Arizona Expenditure Limitation Report*, that is now a separate category, helping to ensure that the Town doesn't exceed alternative expenditure limitation spending based off of the approved budget.

Councilor Steve Erhart has been curious for a number of years of bidding out audit services. Ms. Brady stated this would require a Request for Qualifications (RFQ) because of the costs involved and is different than a Request for Proposal (RFP) as an RFQ is based off of qualifications not the pricing of that service.

Councilor John Phelps questioned how long the Town has been using Hinton Burdick. Ms. Brady told him ten years. Mayor Bryce Hamblin questioned Ms. Ryall, if for a town our size, the fee is generally what we would expect to pay. Ms. Ryall said yes, this is very fair. Hinton Burdick is a very good firm and there are a limited number of firms that perform these audits. Ms. Ryall added that it is too late this year to explore the market for other auditors and recommends approval of the engagement letter for this year. Ms. Ryall will ensure that an exploration of the market will be undertaken for next year, not only for pricing and qualifications but to ensure that we are not slipping into any level of complacency.

Councilor Phelps questioned if an additional \$1,000 was a fair amount to charge. Ms. Brady said the fee has been consistent for a great number of those ten years with the exception of last year being higher due to a magistrate court audit that the Town has to conduct every three years and provide a report to the Supreme Court.

Councilor Winslow McNeill asked what was the cost to the Town to shop around. Ms. Ryall stated it would only cost staff time if proposals are entertained instead of bidding. Ms. Ryall thinks there are only three firms that perform these types of audits: Heinfeld, Meech & Co., Hinton Burdick, and Cronstrom & Trbovich. Ms. Brady informed Council that Cronstrom & Trbovich were the auditors for 15 years prior to Hinton Burdick.

It was Vice-Mayor James Nelson, Jr. impression that there was a cost savings with Hinton Burdick because of a shared travel expense with other local area agencies that also use Hinton Burdick. Ms. Brady confirmed that is correct; Springerville changed to Colby & Powell. Hinton Burdick still audits Pinetop, Show Low, Snowflake, and St. Johns and tries to schedule with all of the agencies in the area to share costs with their travel and per diem. Ms. Ryall said that this is the same audit team she experienced at Grand Canyon as they are based out of Flagstaff and audit most of Northern Arizona. Ms. Brady added that the Town does get a partner on site every year.

Councilor Winslow McNeill moved to confirm the understanding of the services provided the Town of Eagar by Hinton Burdick for the year ended June 30, 2014 audit. Councilor Allen Browning seconded; all were in favor, motion carried unanimously. 7-0

D. REVIEW OF THE IMPLEMENTATION TABLE FOR THE 2014 GENERAL PLAN THAT WILL BE USED FOR STAFF PURPOSES AND IS CONTAINED WITHIN THE 2014 GENERAL PLAN

Town Manager Tami Ryall stated that every ten years the General Plan has to go forward and be adopted by the voters, 2014 being the Town's year for renewal. After an extensive process the new General Plan has been developed and prepared for the voters. Included in the materials was an Implementation Table of all the elements of the plan that is primarily used for staff and is not required by the Statue. During the hearing process some of the requirements listed in the Implementation Table didn't get amended. The body of the General Plan document is correct and a couple of Implementation Table notations were not removed. Upon discovery, Ms. Ryall spoke to Town Attorney Doug Brown and he has submitted a legal opinion stating that as this document is not required by the law, it is something additional; the Town does not need to revise the adopted document because the Implementation Table is primarily for staff reference. The Town can fix the Implementation Table under authority to fix clerical errors. It does not change the material that is on the ballot.

E. CONSIDERATION OF RESOLUTION 2014-12 DECLARING AND ADOPTING THE RESULTS OF THE PRIMARY ELECTION HELD ON AUGUST 26, 2014 – ELECTION OF FOUR COUNCIL MEMBERS AND APPROVAL OF PROPOSITION 400 ALTERNATIVE EXPENDITURE LIMITATION

Town Clerk Eva Wilson stated that the official numbers have been determined for the Town of Eagar's Primary Election held on August 26, 2014 for the purposes of electing four council members and for the voters to consider Proposition 400 Alternative Expenditure Limitation Home Rule. The total numbers of ballots cast in the Primary Election according to the Apache County Poll List, was 1,107. That the votes cast for the candidates for Council member were as follows:

<u>Name</u>	<u>Vote Total</u>
Steve Erhart	778
Allen Browning	710
James Nelson, Jr.	698
Debra Seeley	516
David Sloane	379

By using a new calculation for the majority of votes received, it is declared a record that the following candidates have obtained council seats:

Steve Erhart
Allen Browning

James Nelson, Jr.
Debra Seeley

Council members will be seated after the General Election. All the council seats are filled at the Primary Election, so none of the candidates will be on the General Ballot.

The votes cast for the Alternative Expenditure Limitation, passing with a majority, are:

Yes Votes	504
No Votes	331

This resolution shall be in full force and effective immediately, so congratulations to all candidates that were seated.

Vice-Mayor James Nelson, Jr. moved to approve Resolution 2014-12 declaring and adopting the results of the Primary Election held on August 26, 2014 the election of four council members and approval of Proposition 400 Alternative Expenditure Limitation. Councilor Winslow McNeill seconded; all were in favor, motion carried unanimously. 7-0

ITEM #11: SIGNING OF DOCUMENTS

Necessary signatures were obtained for the Minutes of August 2014; and the July financial page, IGA with Springerville for the Senior Center, the Mutual Aid Agreement with Nutrioso Fire District, understanding of services provided by Hinton Burdick audit, and Resolution 2014-12.

ITEM #12: ADJOURNMENT

Councilor Winslow McNeill moved to adjourn the meeting (at 7:21 p.m.) Vice-Mayor James Nelson, Jr. seconded; all were in favor, motion carried unanimously. 7-0

Attest: _____

Mayor: _____

Vice-Mayor: _____

Council: _____

CERTIFICATION OF COUNCIL MINUTES

I hereby certify that the foregoing minutes is a true and correct copy of the minutes of the Regular Council Meeting of the Town of Eagar, Arizona held on September 2, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Marion Wiltbank, Assistant Town Clerk